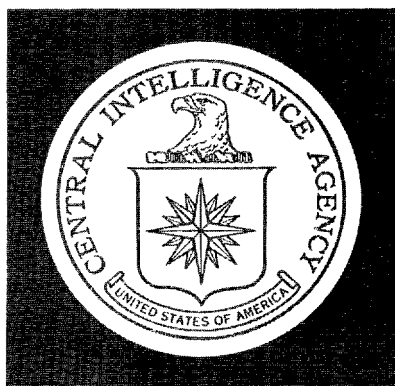


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DIRECTORATE OF  
INTELLIGENCE

# *Central Intelligence Bulletin*

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18 May 1968

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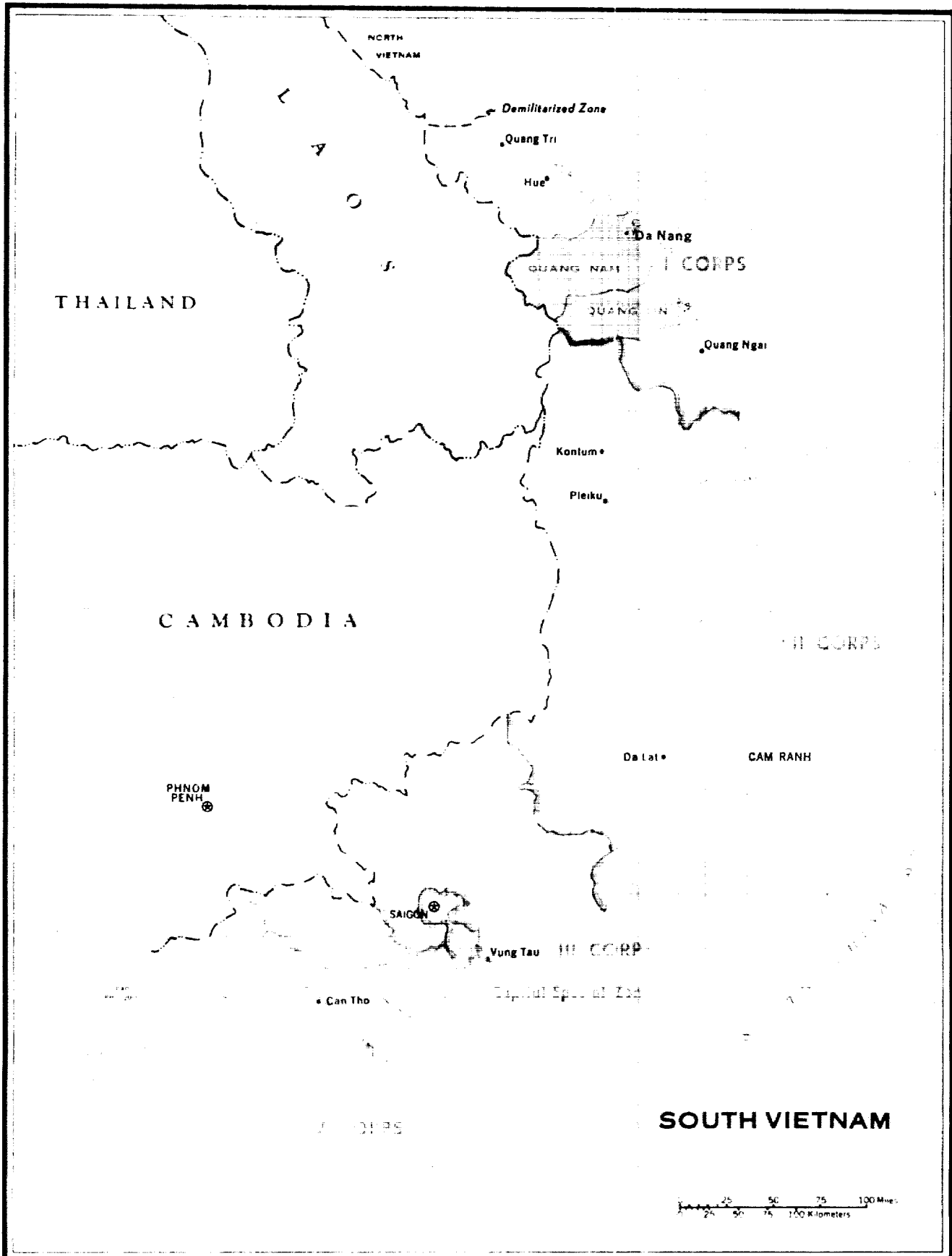
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**[ Vietnam:**

South Vietnam: Military activity remains generally light, but signs point toward new enemy offensive actions in the near future.

The enemy threat to Da Nang appears to be increasing. Communist mortar attacks along the Quang Nam - Quang Tin Province border have increased markedly in the past several days, possibly to cover troop movements toward Da Nang. The North Vietnamese Second Division, which recently overran an allied Special Forces camp in Quang Tin Province, may be headed in that direction.

North Vietnam: Hanoi's propaganda has harshly rejected Ambassador Harriman's suggestions of areas of similarity in US and North Vietnamese positions. The propaganda comes down hard on the bombing as the first substantive issue to be tackled in the Paris talks.

At the same time the Communists have polished up their negotiations scenario in another effort to extract additional US concessions prior to moving on to other business. A North Vietnamese spokesman said in Paris on 17 May that if the bombing and all other acts of war are stopped unconditionally, "we will be ready to discuss a political settlement for Vietnam." Earlier formulations almost always framed postbombing talks with such ambiguous phrases as "other matters of interest to the two sides."  (Map) ]

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\*Czechoslovakia: The simultaneous visits to Prague by Soviet Premier Kosygin and Marshal Grechko signal a new and perhaps climactic point in the crisis.

The hard bargaining that is certain to take place will probably find the Soviets insisting on some firm commitments from the Czechoslovaks to moderate their recent course. More specifically, Kosygin probably will demand assurances that Prague will effectively suppress, or at least curb, dissidence within and outside the Communist Party.

Kosygin may be prepared in return to respond to Prague's request for a massive and desperately needed loan equivalent to \$400-500 million. According to Czechoslovak Premier Cernik, the Soviets refused a definite commitment for a loan when the Czechoslovak leaders visited Moscow earlier this month, saying that they would have to analyze the proposal.

The presence of Grechko, along with members of the Soviet high military command and commanders of the Soviet forces which have taken up positions near the Czechoslovak borders, will lend visible support to Kosygin's arguments. At least, the show of military brass will remind Prague that the Soviets retain the option of armed intervention in the event no modus vivendi is reached. Soviet units are still ranged around the Czechoslovak border.

Prague apparently got little warning of Kosygin's arrival yesterday for what the Czechoslovaks announced was a "continuation" of earlier talks. Cernik had indicated only four days ago that Kosygin had been invited but that the visit would not take place for some time.

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Conservatives in Czechoslovakia, buoyed by the Soviet pressure tactics of the past week, have now begun to criticize the liberal trend. The recently ousted rector of the party school suggested on 15 May that the government in effect impose some sort of censorship on the press. Conservatives, moreover, may have been connected with the dissemination of leaflets which attack the liberals for attempting to restore a "bourgeois republic."

The liberals, on the other hand, continue to call for the ouster of conservatives from the party's central committee. The controversy doubtless will be intensified in the central committee if it meets as scheduled on 29 May.

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Poland-Hungary: The Poles are attempting to prod Hungary into helping contain the contagious Czechoslovak liberalism.

Speaking at ceremonies marking the renewal of Poland's friendship treaty with Hungary on 16 May, Polish party boss Gomulka stressed the mutual obligations of the two countries to the socialist bloc. Unlike Kadar, Gomulka singled out the Warsaw Pact alliance as the major vehicle for intrabloc cooperation. He stressed the dangers to Hungary and Poland of external and internal "anti-socialist, imperialist subversion." Kadar ignored these warnings in his remarks.

Gomulka is worried about the impact of events in Prague on the rest of Eastern Europe. He shares Soviet fears over a loss of Communist control in Czechoslovakia. His predilection for national autonomy and fear of setting adverse precedents, however, probably led him to counsel the Soviets to avoid military intervention. Recent Polish support for the moderate Czechoslovak leaders, coupled with criticism of the party's extreme liberals, suggests that the Poles hope Dubcek will be able to put his house in order.

The Hungarian regime is torn between approval of Czechoslovakia's new course and concern that the reformers could go too far. Even more than Gomulka, Kadar probably fears the constraints on his own position which could result from a decision by Moscow to press for coordinated pressures against Czechoslovakia.

According to Czechoslovak Premier Cernik, Dubcek will lead a delegation to Budapest in June to renew Czechoslovakia's 20-year bilateral alliance with Hungary. Much of the visit, however, probably will be devoted to the situation facing both countries.

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Finland-USSR: A Finnish Social Democratic Party delegation is in Moscow to establish official relations with the Soviet Communist Party.

The visit of the six-man delegation, led by Social Democratic chairman and former prime minister Paasio, is in response to a Soviet invitation issued last year. It is the first major step in his party's program, enunciated in 1967, to develop contacts with the Communist parties of Eastern Europe. The program resulted from a decision by party leaders that their domestic fortunes would be best served by abandoning their traditional anti-Communist and anti-Soviet stance. The long history of ill will between the Social Democrats and Moscow led to their exclusion from the government from 1958 to 1966.

Although a major purpose of the visit will be to reaffirm the party's support of Finland's policy of friendship toward the Soviet Union, the visit also has certain narrower domestic political objectives. By demonstrating a new-found respectability in Moscow, the leadership hopes to better the party's competitive position among the Finnish Left and to undercut the Finnish Communist Party and the dissident left-Socialist Simonists. There is a danger that the move will alienate the party's right wing, which does not favor increased ties with the Soviets.

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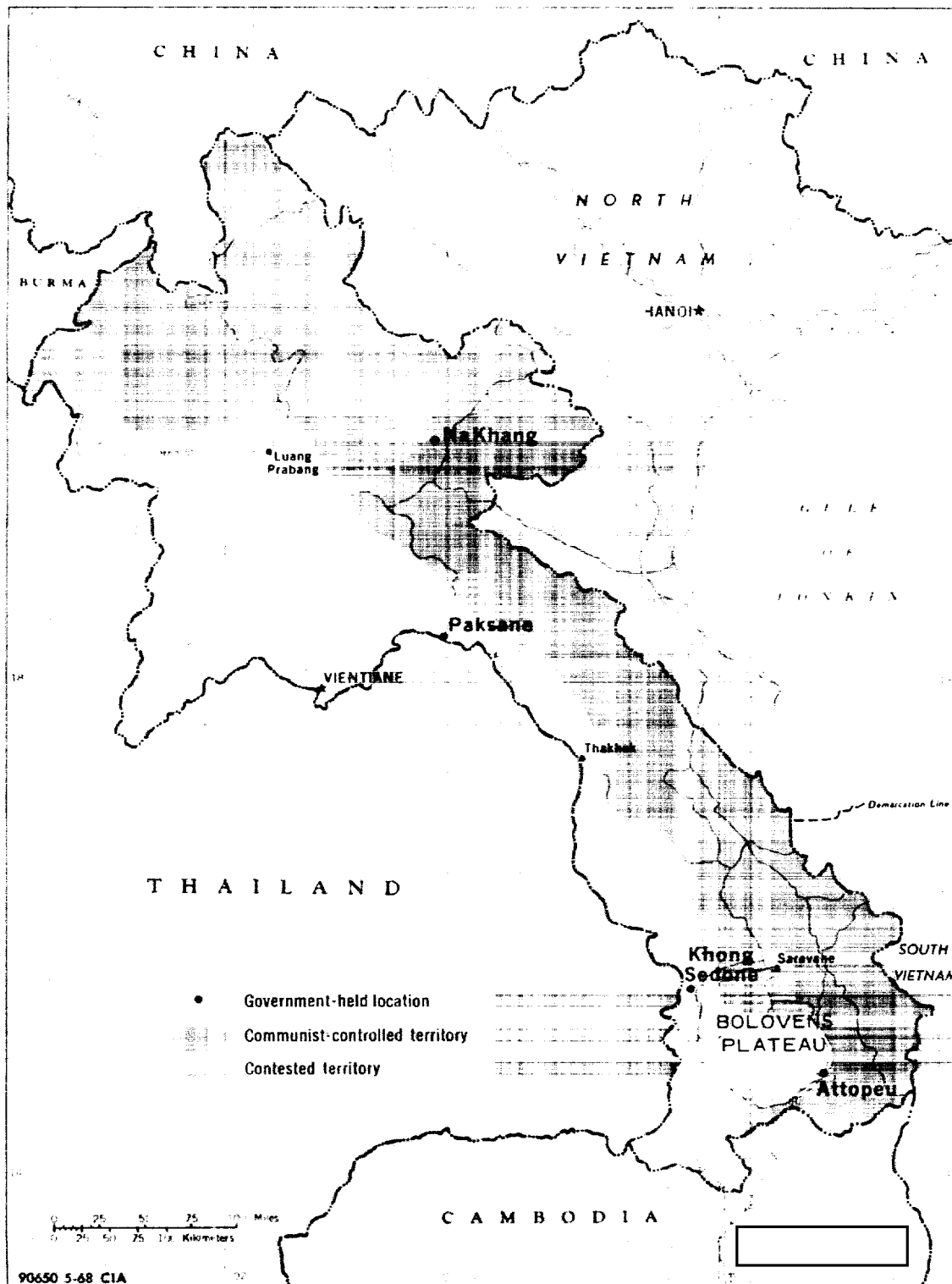
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# LAOS



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Laos: The Communist offensive against Na Khang has stalled but the enemy is increasing pressure in other areas.

With the support of heavy US air strikes, government troops have reoccupied a number of outlying defensive positions around Na Khang lost in early May. The Communists, however, appear to be continuing their buildup. There are reports that additional troops are moving in.

North of Paksane, the enemy is stepping up pressure against government outposts. Ground observers have noted the movement of North Vietnamese troops into the area. A recently captured enemy document outlined an offensive plan which included an attack against Paksane itself. The government has responded with additional troops and air strikes.

In the south, the Communists may be preparing for an upsurge of activity in the Bolovens Plateau area which has been quiet in recent weeks. They overran a government outpost on 16 May some 17 miles east of Khong Sedone and briefly renewed their mortar attacks on the provincial capital of Attapeu.  (Map)

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Hungary-Rumania: Hungary's reported plans to increase its news coverage on the welfare of the Hungarian minorities in Czechoslovakia, Yugoslavia, and Rumania may become an irritant in Budapest's relations with some of its neighbors.

The Hungarian Writers Union last week approved a proposal for "regular and organized" press coverage of the cultural and social development of Hungarian minorities in neighboring countries, [REDACTED] [REDACTED] If, [REDACTED] [REDACTED], the main thrust is to be directed toward the 1.9 million Hungarians living in Rumania, Budapest probably will use factual reports and only subtle criticism in order to avoid releasing potentially uncontrollable nationalist forces in Hungary.

During a period of particularly bad feeling over the Transylvanian minority in the mid-1960s, the Soviets reportedly goaded the Hungarians into making nationalistic statements in response to Rumania's irridentist claims to the Soviet territories of Bessarabia and Bukhovina. The Hungarian regime, however, was very cautious in its public handling of the situation.

Unless the currently proposed increase in coverage of Transylvanian minorities takes the same cautious approach, Bucharest probably will view it as a threat to Ceausescu's relatively successful efforts to reduce tension among the Hungarian minority. [REDACTED]

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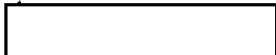
France: The government has stiffened its attitude to spreading student and labor unrest.

Premier Pompidou, who earlier tried to restore calm by granting student demands and withdrawing riot police from the Sorbonne area, issued a stern warning on 16 May against further disorder. He also augmented the Paris police force and mobilized units of France's national guard. Although thousands of extra police now protect key points in the capital, no attempt has been made to regain control of the universities. Any such move, the government apparently reasons, would lead to more violence.

Pompidou's warning was also directed against labor disturbances set off by the student crisis. Acting without orders from union leaders, workers have taken over a number of factories and declared strikes of "unlimited duration." France's state-controlled radio and television network and Orly airport have been partially closed by strikes.

The government's firmer stance may produce a degree of unity previously lacking in student-labor relations, but problems remain. Although the students' and professors' unions issued a joint communiqué on 17 May declaring that the entrance of workers into the struggle had altered the situation in their favor, France's largest labor union is still unenthusiastic about cooperating with students.

A National Assembly vote on a censure motion against the government is scheduled for 22 May. Even though the vote will be close, the cabinet is likely to survive. Pompidou is reportedly thinking of a major cabinet reorganization, but De Gaulle, who returns from Rumania on Sunday, may balk at immediate change as an unworthy submission to public pressure. In any case, no solution is in sight.



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NOTES

25X1 Berlin: The rightist National Democratic Party (NPD) in West Berlin has designated today as "NPD Day" and plans to hold a rally. The leftist student "extraparlimentary opposition" may stage a counterdemonstration. West Berlin police are prepared for such an eventuality. Strong opposition and difficulties in acquiring a hall may mean a last-minute cancellation of the rally. The East Germans, who have condemned vigorously the NPD's intention to stage the affair, would almost certainly claim the credit for its cancellation. [REDACTED]

\* \* \* \*

25X1 Berlin: East Germany may be considering visa and passport requirements for West Germans transiting its territory. [REDACTED] told a West German journalist that Pankow soon can be expected to institute such regulations. The Soviets have backed Pankow's travel bans on Bonn officials and members of the rightist National Democratic Party, measures which do not affect Allied access. Bonn's reluctance to take strong measures against the bans may have convinced the Communists that the time is ripe for more restrictions. Enforcement of the existing measures has, however, been highly selective. [REDACTED]

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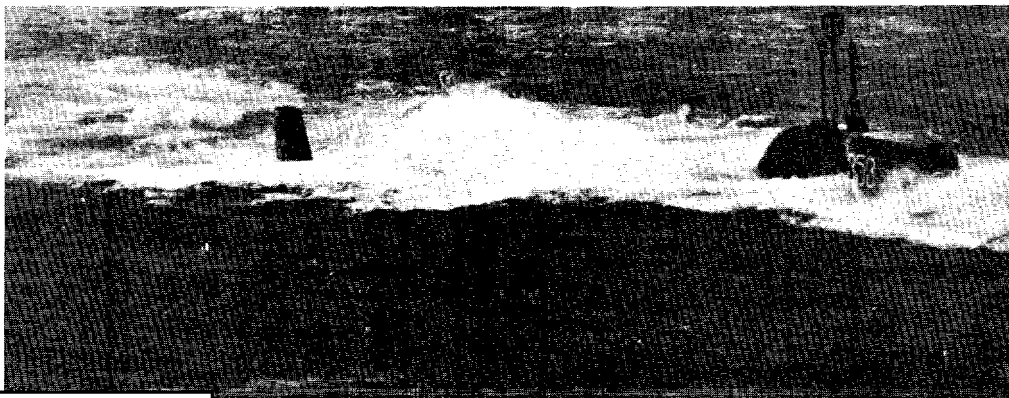
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USSR: One of the USSR's newest torpedo attack submarines was sighted off the Kola Peninsula on 25 April. The unit, probably built at the Gorkiy shipyard, is one of two new classes of nuclear powered attack submarines under construction in the USSR. It probably has considerably better performance than the 15 older nuclear powered attack submarines in the Soviet inventory and may have a speed and diving depth comparable to the latest US attack submarines. [REDACTED]  
(Photo)

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## NEW SOVIET ATTACK SUBMARINE



Sighted off Kola Peninsula on 25 April



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